

Financial Aid News

WASHINGTON HIGHER EDUCATION COORDINATING BOARD

Online resources for aid administrators

- [Higher Education Coordinating Board Web site](#)
- [HECB secure Web site for aid administrators](#)
- [State Need Grant](#)
- [State Work Study](#)
- [Washington Promise Scholarship](#)
- [Educational Opportunity Grant](#)
- [Washington Scholars Program](#)
- [WAVE](#)
- [Other state aid programs](#)
- [Past issues of the *Financial Aid News* and other publications](#)
- [Guaranteed Education Tuition](#)
- [Washington Financial Aid Association](#)
- [Washington State Association of Student Employment Administrators](#)
- [Western Association of Financial Aid Administrators](#)
- [Western Association of Student Employment Administrators](#)
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Higher Education
Coordinating Board

HECBFinancialAid@hecb.wa.gov

<http://www.hecb.wa.gov>

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Issue 43 — February 27, 2004

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Supreme Court upholds state's denial of Promise Scholarship to divinity student

The U.S. Supreme Court has ruled that Washington State was within its rights when it denied a Promise Scholarship to a student who was majoring in theology. The Higher Education Coordinating Board administers the scholarship program for high achieving low- and middle-income students.

The case concerns Joshua Davey, a graduate of Northwest College, who sued the state for denying him the scholarship in 1999.

Before the *Locke v. Davey* case, the state prohibited financial aid awards to students majoring in theology based on the state constitution and state law.

Davey was majoring in both business administration and pastoral ministries at Northwest College. With guidance from the Higher Education Coordinating Board, the college determined that Davey's pastoral ministries major constituted a degree in theology and rescinded his award.

Davey sued the state, and in 2000 a federal district court issued a summary judgment in favor of the state. In July 2002, a panel from the 9th U.S. Court of Appeals ruled

on a 2-1 vote that the state law prohibiting payment of financial aid to students pursuing degrees in theology violated the U.S. Constitution's First Amendment religious-freedom provision and 14th Amendment equal-protection guarantees. The Court of Appeals turned down Washington's request for a re-hearing in November 2002.

Last May the U.S. Supreme Court agreed to consider the case. The Court heard oral arguments on Dec. 2 and on Feb. 25 issued its 7-2 decision overturning the Court of Appeals ruling.

Board staff studying next moves, will issue guidance soon

After the Court of Appeals ruling, the board notified colleges and universities across the state that qualified students who chose to study theology were eligible to receive state financial aid retroactive to fall 2002.

The Supreme Court's ruling reverses that decision. Board staff and the state Attorney General's office are now studying the implications of the ruling, particularly to determine when it takes effect.

"At this point, we won't be accepting any further payment requests for theology majors," said John Klacik, associate director for education services at the board. "However, we won't know all the ramifications of this until we've had a little time to sort it out."

Klacik said he did not expect any theology major who received state aid after the Appeals Court ruling to have to repay it now that the Supreme Court has reversed the earlier decision.

The board will provide guidance to financial aid administrators soon concerning the Promise Scholarship and other state financial aid programs affected by the ruling.

Decision hailed by HECB executive director and chair

James Sulton, Jr., the board's executive director, said the high court's decision in the case of *Locke v. Davey* reinforces the state constitution, which has always been interpreted to prohibit the use of public funds for religious instruction. In addition, a state statute enacted in 1969 banned financial aid to those pursuing theology degrees.

"The Supreme Court ruling is good news for the state of Washington," Sulton said. "While it does not affect a student's decision to study religion in a social or historical context, the decision ensures that taxpayers will not be required to fund religious activities. That's an important distinction, and one that has been clear and consistent in our financial aid policies since the beginning."

Board chair Bob Craves said the decision will not affect the agency's goals and mission.

"The Higher Education Coordinating Board is committed to increasing access and opportunity for students who want to go to college," said Craves. "This ruling does not affect that commitment. We will continue our efforts to plan for the future of higher education, enroll and graduate more students, and better respond to the needs of the state's economy."

The links below include the Court's opinions, more information about the Promise Scholarship, background on the *Locke v. Davey* case, statements from the governor and attorney general, and news reports and editorials about the Court's decision. Some sites may require free registration or subscriptions:

| | |
|---|---|
| Supreme Court majority and dissenting opinions: | <u>Locke v. Davey</u> |
| Information on the Promise Scholarship: | <u>Washington Promise Scholarship Web site</u> |
| Background on the case: | <u>Attorney General's Web site on Locke v. Davey</u> |
| Gov. Gary Locke: | <u>Governor's statement on Supreme Court decision on religion scholarship ban</u> |
| Attorney General Christine Gregoire: | <u>AG statement on Supreme Court's Locke v. Davey decision</u> |
| <i>The Chronicle of Higher Education</i> : | <u>U.S. Supreme Court upholds ban on awarding of state financial aid to theology students</u> |
| KOMO TV: | <u>No government money for students of religion</u> |
| <i>The New York Times</i> : | <u>Court says states need not finance divinity students</u> <u>Editorial: Separating church and state</u> |
| <i>The News Tribune</i> (Tacoma): | <u>Study ministry, pay your way</u> <u>Editorial: High court's right; state shouldn't have to subsidize religion</u> |
| <i>The Seattle Times</i> : | <u>State wins high-court ruling on scholarship</u> |
| <i>The Spokesman Review</i> (Spokane) <i>USA Today</i> : | <u>States can deny clergy scholarships</u> |

Don't labor over those long lists — **Crunch** 'em!

HECB releases new tool to institutions

The Higher Education Coordinating Board has released a new online tool to help financial aid administrators determine student eligibility for state financial aid programs.

This new tool, nicknamed the "Cruncher," allows schools to compare lists of enrolled students against the board's State Need Grant, TRIO, GEAR UP, and Promise Scholarship databases. Administrators can submit a list of social security numbers they'd like to compare to these databases, and the Cruncher will return a list of matches in a matter of seconds.

For example, a college may have a couple hundred Promise Scholarship recipients but lack a simple way of identifying them. The Cruncher lets administrators upload a list of the Social Security Numbers for all of their students who might be eligible (perhaps all freshmen and sophomores). The program runs the comparison and returns a list of students whom the board has determined are eligible for the scholarship based on the board's database. Schools can then use that file to update their system however they like.

For the Promise, GEAR UP, and TRIO programs, the Cruncher will return a list of students that the board has determined are eligible for awards. In the case of the SNG program, the program returns a list from the SNG archive of students who are not eligible for payment because they are in repayment status, or have exceeded their 15-quarter limit. It also alerts aid officers if students are close to reaching the 15-quarter limit.

The Cruncher is available on the board's [secure Web site for state aid administrators](#).

The board's lead systems analyst, Pat Castaldo, said the Cruncher could easily process a list of 50,000 students in a few seconds. He also would like feedback about the new program from users in the field.

"We developed this tool to see how useful it would be," Castaldo said. "But we also want to know more about other kinds of online resources we can provide to help people work more efficiently."

Administrators who use the Cruncher can link directly to an electronic form and provide feedback to Castaldo and his team. Or you can send e-mail directly to Castaldo at patc@hecb.wa.gov.

Thank you!

The board wants to thank everyone who responded to its State Work Study (SWS) 2005-07 budget survey. Because of your prompt responses, the agency now has excellent information to help determine its SWS funding request later this year. We appreciate your information and ideas.

Dates to remember

Student Employment Essentials

March 2 — UPS, Tacoma

March 4 — CWU, Ellensburg

The one-day workshop, offered at two locations, will provide information about immigration and employment laws, supervisor training, and student recruitment and orientation. Student employment administrators will find this is an excellent preparation for the May state student financial aid workshop.

Contact Betty Gebhardt at bettyg@hecb.wa.gov or (360) 753-7852.

Annual state student financial aid workshop

May 10 — Yakima Valley Community College, Yakima

May 11 — Gonzaga University, Spokane

May 13 — North Seattle Community College

May 14 — Centralia College

The one-day workshop, offered at four locations, will provide training and 2004-05 updates on the State Need Grant, State Work Study, Educational Opportunity Grant and smaller aid programs. It will also include an overview of HECB activities and technology enhancements.

There is no registration. An agenda, meeting room locations, and parking information will be sent to aid administrators in April. If you have questions, contact Colleen Scovill at colleens@hecb.wa.gov or (360) 753-7850.

Legislative update

Both houses pass budgets as March 11 adjournment nears

The House and Senate on Wednesday each passed supplemental budget proposals for FY 2005 that include increases for state financial aid programs.

There are significant differences between the two budgets, and negotiations are set to begin this week to resolve them. The regular session adjourns March 11, and most observers expect the Legislature to finish its business by that date.

Key higher education and financial aid provisions in the budget proposals include:

- **State Need Grant:** Both proposals provide additional funding, keep the current MFI threshold of 55 percent, and offset additional high-demand enrollments. However, each takes a different approach to how grants are to be awarded. The House intends to serve the unserved population, but keeps grant awards at 2003-04 levels. The Senate would serve only about 35 percent of its projected unserved population, but allows for increases in grants to keep pace with planned 7 percent tuition increases in 2004-05.

- **Enrollments:** The House has proposed \$28.9 million to support 4,791 new enrollments; 1,541 would be in high-demand fields and 3,250 in general enrollments. The Senate proposal includes \$2.5 million for 227 additional high-demand enrollments, plus \$100,000 for the HECB to conduct an enrollment evaluation study.
- **Promise Scholarships:** The House has proposed a \$4.3 million increase to the program to increase awards to 63 percent of community college tuition (up from the current 43 percent). The House proposal also reduces the income limit to 120 percent of MFI beginning with the graduating high school class of 2004. The Senate has proposed no additional funds or changes to the program.
- **Health Professionals Scholarship and Loan Repayment Program:** As proposed by Gov. Locke, both the House and Senate would add \$2 million to this program, which would triple its size in 2004-05.
- **Scholarships for Washington, D.C. internships:** The Senate provides \$160,000 for a new scholarship program for internships in the nation's capital. The House does not fund this request by the governor.

A table on page eight of this newsletter provides a side-by-side comparison of the financial aid provisions of the House, Senate, and governor's budget proposals.

You can view the budget documents online on the committees' Web sites: [Senate Ways & Means Committee](#) and [House Appropriations Committee](#).

Hearings of interest — March 1 – 5

With all eyes now on the budget and adjournment, the policy committees have wrapped up their work for the year. The House Appropriations Committee and Senate Ways and Means Committee will hold meetings on Monday to finish their work on bills referred by the opposite chambers before a March 1 cutoff.

You can listen to hearings — live or from the archives — on [TVW's Web site](#).

Monday, March 1:

House Appropriations Committee, 1:30 p.m., House Hearing Room A
 Public hearing
 Possible executive session

Senate Ways & Means Committee, 1:30 p.m., Senate Hearing Room 4 (TVW)
 Public hearing
 Possible executive session

Web sites for tracking and analyzing legislation

Full text of bills and
supporting materials

www.leg.wa.gov/wsladm/bills.cfm

Complete legislative
hearing schedule

www.leg.wa.gov/wsladm/calendar.cfm

Live and archived Web
broadcast of all hearings

www.tvw.org

HECB legislative
session site

www.hecb.wa.gov/Leg/index.asp

State Board for Community and
Technical Colleges *Legislative News*

www.sbctc.ctc.edu/Legislative/CurrentLegSession.asp

Supplemental budget proposal comparisons

Reflects the differences between proposed FY 2005 supplemental budget and FY 2005 appropriations approved in last year's biennial budget.

| | Governor's proposal for FY 2005 | Senate proposal for FY 2005 | House proposal for FY 2005 |
|--|--|--|---|
| SNG | Provides additional \$811,000 to offset new enrollments in high-demand fields | Provides additional \$4.9 million; increases grant amounts by 7 percent; serves some of projected unserved students; provides additional funds to offset new high-demand enrollments | Provides additional \$3 million; intended to serve most of projected unserved students; keeps grants at 2003-04 levels; provides additional funds to offset new high-demand enrollments |
| Promise Scholarships | Provides additional \$6.7 million; raises award to an estimated 80 percent of tuition at a community college (up from 43 percent in FY 2004) | No change from original biennial budget | Provides additional \$4.3 million; raises awards to an estimated 63 percent of tuition at a community college; reduces eligible pool to those at or below 120 percent of the median family income |
| Washington Center Scholarships | Provides \$160,000 for a new scholarship for internships in Washington, D.C. | Provides \$160,000 for a new scholarship for internships in Washington, D.C. | No funds proposed |
| Health Professionals Scholarship and Loan Repayment | Provides additional \$2 million to triple the size of the program; funds to come from the existing Health Services Account | Provides additional \$2 million to triple the size of the program, from the state General Fund | Provides additional \$2 million to triple the size of the program; funds to come from the existing Health Services Account |
| SWS, EOG, Washington Scholars, WAVE | No change from original biennial budget | No change from original biennial budget | No change from original biennial budget |
| Tuition | No change to 7 percent increase approved last year | No change to 7 percent increase approved last year | No change to 7 percent increase approved last year |
| General enrollments | \$10 million for 2,500 FTEs; \$5 million to community and technical colleges for 1,389 FTEs; \$5 million to four-years for 1,111 FTEs | No funds proposed for new general enrollments; provides \$100,000 for HECB to conduct enrollment evaluation | \$16.1 million to community and technical colleges and four-years for 3,250 FTEs |
| High-demand enrollments | \$20 million for 2,709 FTEs; \$10 million to community and technical colleges for 1,800 FTEs; \$10 million to four-years for 909 FTEs, to be managed by HECB | \$2.5 million to four-years for 227 high-demand enrollments, to be managed by HECB | \$12.8 million for 1,541 FTEs; \$6.4 million to community and technical colleges for 960 FTEs; \$6.4 million to four-years for 909 FTEs, to be managed by HECB |






Bills of interest by subject

For current information about the status of a bill, visit the Washington State Legislature's Web site: <http://www.leg.wa.gov/wsladm/bills.cfm>.

| Bill numbers Senate House | Sponsors | Description | Passed by house of origin | Passed by opposite house | Signed By Governor |
|---|------------|--|---------------------------------|--------------------------------|--------------------------|
| Washington Promise Scholarship | | | | | |
| SB 6165 | Benton | Allows the HECB to establish rules for eligible students with special needs to receive the Promise Scholarship at Oregon and Idaho colleges in counties bordering Washington | ✓ | | |
| Financial aid carry-forward | | | | | |
| E2SHB 1123 | Kenney | Originally introduced in 2003; ensures that unspent financial aid funds at the end of a fiscal year are preserved for financial aid purposes through the creation of a dedicated account | ✓ | | |
| Financial aid programs for teacher education | | | | | |
| HB 2708 | Ormsby | As amended, redesigns an existing conditional scholarship program for prospective teachers pursuing certificates in mathematics, science, technology, special education, or bilingual education; consolidates the administration of four existing programs; lets the state make awards from appropriations, donations, and repayments to any of the four existing programs; includes a loan repayment program for prospective teachers identified prior to graduation | ✓ | | |
| Matters affecting military personnel | | | | | |
| SB 6164 | B. Sheldon | Allows dependents and spouses of military personnel to maintain residency status when the service person is transferred out of state; student must be "continuously enrolled in a degree program" | ✓ | | |
| SB 6302 | Murray | Makes provisions for members of the National Guard and other military reserve units who are called to active duty while enrolled in college; allows such students the options of a refund without penalty, completing the course with excused absences, or taking an incomplete with the opportunity to finish later; also provides for refund of room and board and other fees for the period of service; refunds are subject to state and federal financial aid requirements | ✓ | | |
| E2HB 2089 | McCoy | Originally introduced in 2003; consolidates existing veterans tuition waiver statutes into one chapter; clarifies and expands definition of <i>veteran</i> ; extends permission for benefits to go to the spouses and dependants of veterans who are prisoners of war or disabled, missing, or killed in action | ✓ | | |

Bills of interest by subject — continued

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|--|-------------|--|---|--------------------------------|--------------------------|
| Concerning the Higher Education Coordinating Board | | | | | |
| SCR 8421 | Carlson | Concurrent resolution to adopt or recommend changes or additions to the HECB 2004 Interim Strategic Master Plan for Higher Education; will guide the board's work in preparing the final version of the plan that is due in June |  | | |
| HCR 4416 | Kenney | | | | |
| ESSB 6129 | Carlson | As amended, establishes an advisory committee to the HECB that includes the Superintendent of Public Instruction and representatives from the community and technical college system, public research universities, public comprehensive universities, independent colleges and universities, proprietary schools, and two-year and four-year faculty; board to meet with committee quarterly |  | | |
| SHB 3103 | Kenney | As amended, revises statute authorizing the HECB; clarifies focus, purpose of agency; revises policy functions; restructures financial aid statutes; establishes an advisory committee to the board that includes the Superintendent of Public Instruction, executive directors of other state education agencies, chair of the Council of Presidents, and representatives from two-year and four-year faculty |  | | |
| Branch campuses and new higher education institutions | | | | | |
| 2SSB 5914 | Carlson | Charges the Washington State Institute for Public Policy to conduct feasibility study for creation of baccalaureate and graduate degree opportunities in southwest Washington, including a possible new regional university |  | | |
| SHB 2707 | Kenney | As amended, reaffirms the mission of branch campuses; requires the HECB to adopt rules to ensure collaborative partnerships between branches and community and technical colleges; specifies that branches are responsible for upper-division and master's-level graduate education; declares that WSU Spokane is not a branch |  | | |
| Other higher education proposals | | | | | |
| SSB 6332 | Kohl-Welles | Introduced as companion bills at the request of the governor; provide for performance contracts with institutions of higher education on a pilot basis | | | |
| SHB 2681 | Kenney | | | | |

Bills of interest by subject — continued

For current information about the status of a bill, visit the Washington State Legislature's Web site: <http://www.leg.wa.gov/wsladm/bills.cfm>.

| Bill numbers Senate House | Sponsors | Description | Passed by house of origin | Passed by opposite house | Signed by Governor |
|--|----------|---|---------------------------------|--------------------------------|--------------------------|
| Supplemental operating appropriations | | | | | |
| SB 6187 | Zarelli | Makes supplemental operating appropriations for 2003-05 | ✓ | | |
| HB 2459 | Sommers | Makes supplemental operating appropriations for 2003-05 | ✓ | | |